423 tary constructions. A family owning one horse must 656 transport 30 cords of timber to fixed stations. The owner of two horses must double the quota, in winter.

[311] In 1947, about 40% of arable land of Lithuania was unplanted, and the diet of the rural population suffered a catastrophic decline. Few tractors are available. Threshing machines were nationalized. Bribes are required to gain any assistance from the Russian managers of the MTS stations—and people prefer not to deal with the drunken and greedy representatives of the "master race." Forests are systematically destroyed and forest fires are not combatted. The MVD-MGB troops quite frequently set fire to the forests in order to "smoke out" guerrillas.

There was even less incentive to work for Russia in 1948. At least one half of the arable land went untilled. . . .

Industry

433 Peat production dropped to one-third of the level
377 of the German occupation period. Very little coal is brought to the country. For these reasons, there is a severe shortage of electric power. City dwellers must provide their own heating—for apartments, institutions and schools.

The official press occasionally reports that certain officials "abuse their office" by driving to some village, demolishing "deserted homes" and forcing the neighboring farmers to transport the lumber to the city as fuel. . . . Due to the prevalent bureaucracy and chaos, government buildings and student dormitories go unheated for weeks. Therefore, dormitory inhabitants or the office force of this or that institution mobilize and follow the example of the dignitaries: they descend on and transport deserted homes (in parts) in a "socialistic competition" to keep themselves warm. . . .

433 Brick production dropped for lack of skilled man-
[339] power. The brick works of Rokai and Palemõnas produce for the army exclusively. No bricks and no tiles are available for sale to private citizens. Therefore, bricks and tiles figure in a lively black market exchange for horses.

Not a single cement plant is in operation—except on paper, in the boastful reports of "achievements" of the Russian dignitaries. The cement plants of Akmenė and Skirsnemunė are still in the stage of paper planning, though included in the five-year plan to be consummated by 1950.

[288] The textile plants of Klaipėda are idle. The Drobė plant of Kaunas is under reconstruction. The Litex and Audiniai plants began operating. The Linas plant produces for export to Russia exclusively.

The hide tanning plants of Šiauliai and the glass factories of Radviliškis and Aleksotas are operating. Dairies were mostly reactivated. The huge Maistas stockyards and canneries were burned down in Kaunas, and feeble efforts at reconstruction are forging ahead. The Maistas plant in Panevėžys is operating but production is small. The plant at Tauragė still lies in ruins.

The beet sugar refineries of Marijampolė and Panevėžys resumed operations. The paper and cardboard plant produces inferior quality products. The railway yards and repair shops of Kaunas are being expanded. The factories, as a rule, produce for war and export to Russia. The present production level amounts to less than 50% of the 1939 level.

3: Simutis S-4 (no date) 1942 RB5 Lithuanians RB5

With the Sovietization of Lithuania by Russia all those corporations were nationalized in August, 1940, and made government establishments. On August 7, 1940, an order was published requesting even the surrender of the shares of capital stock and bonds of private corporations or government.[5] No due compensation was promised.

When Russian occupation was substituted by German in June, 1941, the system of private ownership was returned in Lithuania, except private, corporate, or coöperative wealth, which apparently is kept for distribution to German nationals or at least to German sympathizers.

THE TEXTILE INDUSTRY

The textile industry showed a spectacular rise between 1927 and 1940. But even before this period it had shown considerable advance. It is estimated that in the years 1909 to 1913 this industry in Lithuania employed about 300 workers.[6] In 1927 the number of workers had grown to 1,403, almost five times as many as before the World War, while in 1939 the industry was employing 7,561 workers.

It is interesting to note that in spite of increasing textile production at home, imports did not decrease proportionately. This may be accounted for partly by the fact that rising living standards increased the demand to such an extent that even the increased production was not sufficient to satisfy it without the aid of proportionately high imports. Lithuania does not export any textile fabrics.

The expanding textile industry modifies the type of textile

[5] *Darbo Lietuva* No. 50, Aug. 13, 1940. (*Darbo Lietuva* [Worker's Lithuania] was a Bolshevik daily in Kaunas, established after the occupation.)

[6] L.G.S.A., 1937, p. 405.

3: Simutis S-4 (no date) 1942 RB5 Lithuanians RB5

TABLE 35

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THE DEVELOPMENT OF THE TEXTILE INDUSTRY OF LITHUANIA 1927–39

KIND OF ESTABLISHMENT	1927		1930		1935		1939	
	Establishments	*Workers*	*Establishments*	*Workers*	*Establishments*	*Workers*	*Establishments*	*Workers*
Linen and jute weaving	3	112	3	163	5	624	5	827
Flax preparation	16	468	9	534	8	288	11	1,296
Woolen and cotton weaving and spinning	6	589	7	1,229	16	2,922	20	4,051
Wool spinning	17	138	20	142	11	67	23	175
Silk weaving	—	—	—	—	3	651	4	964

imports: there is a tendency toward an increase in semifinished textile goods, especially woolen spun yarns, and a decrease in imports of woolen textile materials (fabrics). In cotton-goods imports this tendency is not so pronounced. This may be due partly to the fact that Lithuania has no raw cotton and the entire supply must be imported. The manufacturing of cotton fabrics is, therefore, almost entirely undeveloped. With woolen fabrics conditions are exactly opposite. A substantial part of the wool is produced at home and, although the quality of Lithuanian wool is not as high as that of Australia or New Zealand, the woolen industries, having been at first wholly dependent on the home supply, were better equipped to expand and improve their production than were the cotton factories. If breeds of sheep are improved as were those of cattle, Lithuanian woolen goods will improve in quality as well as increase in quantity.

465 wages, a rise in real wages of approximately 12% since 1931. In various individual branches, moreover, the wages standards of qualified workers were raised not only in 1937 but also in 1935 and 1936, which the above quoted average figures do not indicate, owing to the preponderance of unqualified workers, as a result of the frequent engagement of new employees.

* * *

464 433 The internal structure of Lithuanian industry in respect of the number of undertakings and the total number of employed workers in separate industrial branches are shown by the following Table No. 1.

288 433 464 On the basis of these statistics we may conclude that the largest number of workers, viz., 20.6% of all industrial workers in Lithuania to-day are employed in the textile industry. On an average, a staff of 88 workers pertains to one textile factory.

The first place in respect of the number of employed workers has, however, been reached by the textile industry in recent years, i. e. since 1935. Among all industrial branches in Lithuania it also shows the most intensive development. In spite of the crisis, the number of employed in the textile concerns since 1928 has steadily grown and in comparison with 1928 its position in 1937 had more than quadrupled (+317.5%).

This high level of the employed reflects, however, only the maximum utilization of labour capacity. Thus in 1937 the textile industry was the only branch that employed three shifts, since according to the number of undertakings, viz., 74, it stands far behind other branches.

313 433 464 In the second place stands the timber industry with 16.9% of the total number of workers and 17.6% of the number of undertakings. The size of the staffs rose by 51.1% during the period from 1928 to 1937, the most noteworthy increase having taken place in 1937.

262 433 464 In the third place follows the foodstuffs and luxury goods industry with 16.4% of the total number of workers. According to the number of undertakings (353 concerns or 28.3%), it is, however, entitled to the first place. The total number of the staffs in 1937 in comparison with 1928 shows an increase of 35.4%, which took place during the last three years. During

on this subject is contained in the section on the trade turnover of the „Maistas" joint-stock company.

The butter production figures specified in the foregoing tables relate only to the quantities supplied by the dairy cooperatives, which are used almost exclusively for export. Nearly the entire domestic demand is covered by the home production of the farmers (the so-called country butter) which it is difficult to judge by statistics. The supply of export butter shows constant growth. In 1937 it doubled in round figures in comparison with 1931, which must be ascribed to the fact that it has held its ground on the world market better than bacon.

Spirit, beer, and tobacco production greatly receded during the crisis. The last two years brought about, in connexion with the general economic revival, a new upward trend; while of course the doubling of beer production in 1937 is to be attributed to the reduction of the price in consequence of the lowering of the excise, and that of spirit supply in part to its compulsory admixture with petrol („Motorin").

2. The Textile Industry

The textile industry is the second most important industrial branch of Lithuania. It employs the largest number of workers (in 1937, 20.7% of all industrial workers of Lithuania accrued to it); its share in the aggregate engine horse-power amounts to 9.3% and its share in the production value of all Lithuanian industry to over 14% (gross value, 14.9%; net value, 14.3%).

In the pre-war Lithuania, only approximately 300 workers were employed in this industrial branch. The development of textile undertakings since 1927 is shown by the following comparison:

	1927		1931			1938 (Jan)		1937 (July)
	No. of Concerns	No. of Workers	No. of Concerns	No. of Workers	Capacity of Engines in H. P.	No. of Concerns	No. of Workers	Capacity of Engines in H. P.
Total	55	1 403	60	2 287	2 475	79	7 162	11 673
Including								
Flax Treatment	16	468	10	374	607	10	1 201	1 845
Linen Weaving	3	112	3	200		5	728	
Others								
Textile Industry	36	823	47	1 710	1 868	64	5 233	9 828

288 433 This table discloses that all branches of the textile industry have appreciably grown since 1927; that the textile industry proper (weaving and spinning) has, however, made much greater progress than flax manufacture. This is explained by the dependence of the latter upon export, whereas the other branches serve only the home market.

Already in the previous chapter it was pointed out that the output of the textile industry since 1929 has shown an unbroken advance, and of all industrial branches of Lithuania has increased the most vigorously. For the sake of comparison with the quantities data, the production index, calculated on the basis of ad valorem amounts, is once more quoted as converted to the basis year 1931:

1931	1932	1934	1935	1936	1937
100.0	108.1	168.4	178.4	264.0	311.2

248 288 433 The statistical data on the production quantities of separate special branches are as follows:

	1931	1932	1934	1935	1936	1937
Flax and Tow (in tons)	4 550	5 509	1 335	4 331	5 207	5 857
Linen Yarns (in tons)	8.5	44.6	41.6	62.8	91.9	173.8
Cotton Yarns (in tons)	344.1	249.1	391.7	337.9	433.5	973.9
Woollen and Half-Woollen Fabrics (in 1000 metres)	838.8	722	1 335.3	1 384.4	2 466.1	2 411.1
Cotton Fabrics (in 1000 metres)	5 282.4	7 200	11 537.9	12 079.2	14 531.3	15 578.8
Silk Fabrics (in 1000 metres)	61.2	100.1	538.4	771.7	1 139.8	1 240.8

248 439 In regard to the flax manufacturing industry, it is interesting to compare the foregoing production quantities of machine-manufactured flax and tow with the total quantities of our flax exports in the relevant years. These are as follows (in tons):

1931	1932	1934	1935	1936	1937
7 710	8 989	10 187	10 427	19 677	16 087

From this comparison it can be seen that the machine-manufactured flax to-day constitutes only a small part of the total exported quantity, i. e. that flax manufactured by the farmers forms the greatest portion. Nevertheless the industrial production shows a relatively more stable course (with the exception of 1934) than the rural supply. 248 433

The production of the textile industry proper has since 1931 on an average quadrupled. A much more powerful development therein is shown by silk-weaving, which in 1937 produced in round figures twenty times as many silk fabrics as in 1931, owing to the fact that it forms the youngest branch of our textile industry and was founded exactly in 1931. 288 433

The growth of the textile industry was undoubtedly promoted by the tariff policy (increase of the Customs duty on cotton fabrics in October, 1931, and again in April, 1932, on woollen and cotton fabrics) as also by the licence system (the import of woollen fabrics has been subject to licence since the introduction of the licence system, i. e. since December, 1932; that of cotton and silk yarns since August, 1934). This found expression in the sharp decline in 1932 of the imports of ready-made fabrics by half in round figures of the earlier imported quantity. The textile industry undoubtedly represents, concurrently with the production of knitted goods, the Lithuanian industrial branch best protected by tariff policy, which also explains its rapid growth and the concentration of large-scale undertakings in this branch. Notwithstanding this indisputable fact, it must none the less be recognized that, on the one hand, tariff protection is not equally apportioned (thus, for example, the duties on silk fabrics actually on an average amount to approximately 200% **ad valorem**; on cotton fabrics over 60%; and on linen fabrics only 25%), and that, on the other hand, the high duties on yarns (especially on artificial silk yarn) partially equalize the advantage of the high duties on ready-made fabrics. 439 651

3. The Timber Industry

To the timber industry, which may be designated the third most important industrial branch of Lithuania, accrued in 1937 16.9% of all the workers employed in the medium and wholesale manufacturing industry; 10.5% of the engine horse-power; 313 433